BRITISH COLUMBIA

BC STATS

Service BC
Ministry of Labour and Citizens' Services

Data Services
(250) 387-0327
BC.Stats@gov.bc.ca
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Current Statistics ◆ September 2006

- **British Columbia's unemployment rate inched up to 4.8% *(seasonally adjusted)* in August, as a marginal drop in the number of jobs (-0.1%, or -2,200) was accompanied by virtually no change (+0.0%, or +200) in the number of people who were either working or looking for work.** BC's unemployment rate remained among the lowest in the country, and was only 0.6 percentage points higher than Alberta's (4.2%). Manitoba (4.5%) had the second-lowest unemployment rate in the country, while BC was ranked third.

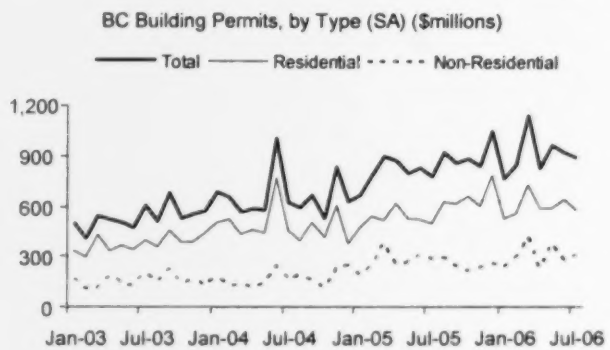
  Employment in BC's goods sector slipped back 1.0% with the number of jobs declining or stalling in most industries. The number of jobs in construction was virtually unchanged (-0.1%), while employment in utilities dropped (-2.2%) for the first time since April. At the same time, there were fewer jobs in manufacturing (-4.1%) and agriculture (-1.5%). However, these were offset by a 10.9% increase in jobs in the primary industries (forestry, fishing & mining).

  The service sector, which employs eight out of every ten workers in the province, recorded a marginal increase in employment (+0.1%) as job growth in some industries was offset by declines in others. Employment in public administration slipped 11.7% and there were fewer jobs in education (-2.9%) and health care & social assistance (-1.3%). However, professional, scientific & technical services (+7.2%) and management & administration (+6.0%) took on significantly more workers. *Data Source: Statistics Canada*

- **The value of building permits issued by BC municipalities slipped 3.3% *(seasonally adjusted)* in July, as an increase in non-residential permits (+11.0%) was unable to offset a 9.6% decline in planned spending on residential building projects.** In Victoria, permits were up 104.0%, the most significant increase in the country. On the other hand, both Abbotsford (-49.8%) and Vancouver (-27.2%) posted substantial decreases.

  Year-to-date, BC building permits were 12.4% higher than in the first seven months of 2005. Permits jumped 92.7% in the Northeast region, partly due to a residential building boom (+54.2%), followed by the Vancouver Island/Coast region with a 24.0% increase.

  Data Source: Statistics Canada



- **The value of BC origin exports continued to seesaw in July, slipping 6.1% *(seasonally adjusted)* following an 8.0% increase in June.** Energy exports tumbled 13.9%, reflecting the effect of lower export prices for gasoline. Exports of machinery & transportation equipment (-7.3%), forest products (-5.7%) and industrial & consumer goods (-2.7%) were also down. However, agriculture & fish product exports showed more promise (+3.9%).

  Exports to the US were off 1.2%, as shipments of machinery & auto equipment (-7.9%) and energy (-4.2%) both decreased. Increased exports of forestry (+0.2%), agriculture & fish (+3.2%) and industrial &

consumer products (+3.3%) south of the border were unable to offset the declines. Shipments to destinations other than the US plunged 12.8%, largely because of sharp declines in forest (-14.6%) and energy (-25.9%) product exports. However, overseas shipments of agriculture & fish products were up 5.5%. *Data Source: Statistics Canada & BC Stats*

- **Shipments of goods manufactured in the province dropped 3.8% (*seasonally adjusted*) between June and July.** Producers of durable products (-2.8%) saw shipments fall after having remained flat in June. The value of wood shipments (-4.6%) decreased as producers continued to face low prices for softwood and other wood products. BC producers of primary metals (+3.8%), machinery (-7.9%) and computer & electronic products (-7.4%) also showed notable declines. On the non-durables side, paper (-12.1%) and food (-1.0%) shipments were lower than in June, and shipments by the chemical (-0.8%) and plastics & rubber (-4.2%) industries both fell for the third consecutive month. Overall, non-durables shipments were down 5.0%.

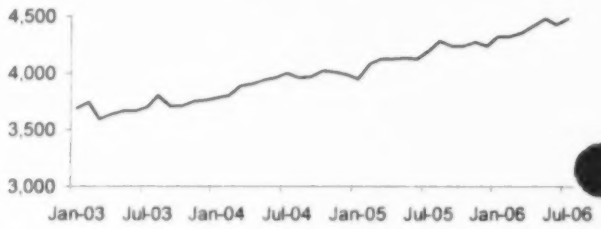
  Data Source: Statistics Canada

- **Housing starts in the province fell back 19.4% (*seasonally adjusted*) in August, following two months of big gains.** Canadian starts were down 9.6%, as most provinces posted declines. BC and Ontario (-18.2%) both recorded double-digit drops, while starts fell a more moderate 8.3% in Alberta. However, starts were up in Quebec (+15.7%), Manitoba (+8.5%) and two of the Atlantic provinces. *Data Source: Statistics Canada*

- **British Columbia's year-over-year inflation rate remained at 2.0% in August, as the all-items Consumer Price Index (CPI) was unchanged from July.** Although increases in energy prices have eased in recent months, consumers still paid 7.4% more for energy as prices at the pump (+10.6%) and the cost of fuel oil (+13.8%) continued to be substantially higher. However, piped gas (-1.1%) cost marginally less than in August of last year. Excluding energy products, BC's inflation rate would have been a more modest 1.5%. *Data Source: Statistics Canada*

- **Retailers in the province had a better month in July, as sales rebounded, (+1.2%, *seasonally adjusted*) after a similar drop (-1.2%) in June.** Canadian sales climbed 1.5%, more than recovering from a dip (-0.4%) in the previous month. Retailers in every province made gains, although the increase in PEI (+0.5%) was modest. In the rest of the country, sales rose at rates ranging from +1.3% in both Ontario and Newfoundland & Labrador to +3.5% in Nova Scotia. All four western provinces also posted solid growth. *Data Source: Statistics Canada*

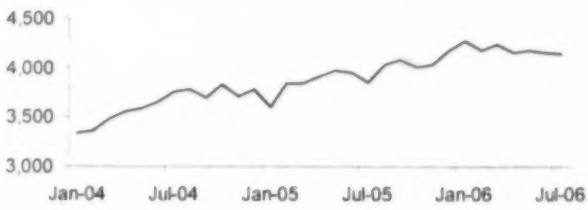
BC Retail Sales (SA) ($millions)



- **Wholesale sales were off again in July, inching down 0.3%, (*seasonally adjusted*) following a decrease in June (-0.6%).** Canadian sales were stronger in July (+2.1%) with four provinces recording increases in wholesaling activities. PEI (-5.4%) was the only province where wholesale sales declined by more than 1.0%.

  Data Source: Statistics Canada

BC Wholesale Trade (SA) ($millions)



MONTHLY STATISTICS

	UNITS	REFERENCE PERIOD	CURRENT			MONTHLY AVERAGE YEAR-TO-DATE	
			LATEST MONTH	% CHANGE FROM LAST MONTH	% CHANGE FROM YEAR AGO	AMOUNT	% CHANGE FROM YEAR AGO
PRICES							
Consumer Price Index-BC	1992=100	Aug '06	128.4	0.2	2.0	127.2	1.9
Consumer Price Index-Vancouver	1992=100	Aug '06	129.0	0.2	2.1	127.7	1.8
Consumer Price Index-Victoria	1992=100	Aug '06	128.3	0.1	1.8	127.3	1.9
Consumer Price Index-Canada	1992=100	Aug '06	130.7	0.2	2.1	129.9	2.4
Consumer Price Index-USA	1982-84=100	Aug '06	203.9	0.2	3.8	201.4	3.9
Industry Price Index-Canada	1997=100	Aug '06	115.2	-0.5	3.6	113.6	2.5
LABOUR							
Unemployment Rate (SA)*-BC	Percent	Aug '06	4.8	(4.7)	(5.7)	4.7	(6.2)
Unemployment Rate (SA)-Canada	Percent	Aug '06	6.5	(6.4)	(6.8)	6.4	(6.9)
Unemployment Rate (SA)-USA	Percent	Aug '06	4.7	(4.8)	(4.9)	4.7	(5.1)
Unemployed (SA)-BC	Thousand	Aug '06	110.8	2.3	-14.6	107.0	-23.6
Employed (SA)-BC	Thousand	Aug '06	2,193.4	-0.1	2.6	2,187.4	3.3
Labour Force (SA)-BC	Thousand	Aug '06	2,304.1	0.0	1.7	2,294.4	1.6
Participation Rate (SA)-BC	Percent	Aug '06	65.5	(65.6)	(65.6)	65.5	(65.7)
Regular EI Benefits Paid	$Million	Jul '06	54.8	12.7	5.8	65.2	-13.1
Regular EI Beneficiaries	Persons	Jul '06	35,550	-4.3	-18.6	47,363	-17.5
Average Weekly Wage Rate-BC	Dollars	Aug '06	728.13	1.0	3.6	721.25	2.8
Wages and Salaries-BC (SA)	$Million	Jun '06	6,608.0	-1.1	7.1	6,535.1	7.9
Fixed-Weighted Earnings Index-BC	1996=100	Jul '06	117.4	-0.8	0.3	117.7	1.8
PRODUCTION-B.C.							
Lumber-Cubic Metres	Thousand	Jul '06	3,516.3	4.7	0.0	3,568.1	2.2
Market Pulp Shipments-Tonnes	Thousand	Jul '06	381	-11.0	7.6	402	3.6
Newsprint Shipments-Tonnes	Thousand	Jul '06	80	-16.7	23.1	88	3.2
Other Paper Shipments-Tonnes	Thousand	Jul '06	164	-2.4	12.3	163	7.8
Oil-Cubic Metres	Thousand	May '06	142.9	7.5	-8.0	136.0	-11.3
Natural Gas-Cubic Metres	Million	Jan '06	2,693.0	-1.6	1.8	2,693.0	1.8
Electric Power Generated	GW.h	Jun '06	4,601.7	0.3	-3.1	4,961.0	-3.9
Manufacturing Shipments (SA)	$Million	Jul '06	3,403.4	-3.8	4.1	3,511.2	3.5
GENERAL							
Housing Starts-All Areas BC(SAAR)**	Thousand	Aug '06	33.2	-19.4	-7.3	37.3	12.6
Housing Starts-USA (SAAR)**	Thousand	Aug '06	1,665.0	-6.0	-19.8	1,928.0	-6.8
Building Permits-BC (SA)	$Million	Jul '06	894.3	-3.3	14.4	911.0	13.3
Residential-BC (SA)	$Million	Jul '06	579.2	-9.6	17.0	601.8	14.4
Non-Residential-BC (SA)	$Million	Jul '06	315.1	11.0	10.0	309.2	11.1
Retail Sales (NAICS) (SA)-BC	$Million	Jul '06	4,476.2	1.2	6.6	4,401.3	7.2
Wholesale Trade (NAICS) (SA)-BC	$Million	Jul '06	4,141.1	-0.3	7.5	4,185.1	8.7
Tourism Room Revenues (SA)-BC	$Thousand	May '06	152,104	3.9	10.2	145,724	6.5
Business Bankruptcies-BC	Number	Jul '06	37	-22.9	-38.3	55	-15.9
Consumer Bankruptcies-BC	Number	Jul '06	484	-25.1	-22.9	616	-14.1
Incorporations-BC	Number	Aug '06	2,518	6.5	8.0	2,603	10.4
Exports Originating in BC (SA)	$Million	Jul '06	2,740.3	-6.1	0.3	2,820.5	4.2

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*SA indicates seasonal adjustment.

**SAAR indicates seasonally adjusted at annual rates.

Brackets () indicate that rates are shown instead of percentage changes.

ANNUAL STATISTICS

	UNITS	YEAR			PERCENT CHANGE	
		2005	2004	2003	2004-2005	2003-2004
PRICES						
Consumer Price Index-BC	1992=100	125.3	122.8	120.4	2.0	2.0
Consumer Price Index-Vancouver	1992=100	125.7	123.4	121.0	1.9	2.0
Consumer Price Index-Victoria	1992=100	125.5	122.8	120.0	2.2	2.3
Consumer Price Index-Canada	1992=100	127.3	124.6	122.3	2.2	1.9
Consumer Price Index-USA*	1982-84=100	195.3	188.9	184.0	3.4	2.7
Industry Price Index-Canada*	1997=100	111.2	109.5	106.2	1.6	3.1
LABOUR						
Unemployment Rate-BC	Percent	5.9	7.2	8.0		
Unemployment Rate-Canada	Percent	6.8	7.2	7.6		
Unemployment Rate-USA*	Percent	5.1	5.5	6.0		
Unemployed-BC	Thousand	132.9	159.2	176.0	-16.5	-9.5
Employed-BC	Thousand	2,130.5	2,062.7	2,014.7	3.3	2.4
Labour Force-BC	Thousand	2,263.4	2,221.9	2,190.7	1.9	1.4
Participation Rate-BC	Percent	65.6	65.5	65.6		
Total EI Benefits Paid-BC*	$Million	1,650.3	1,764.0	1,831.3	-6.4	-3.7
Regular EI Benefits Paid-BC*	$Million	837.4	960.4	1,059.5	-12.8	-9.4
Average Weekly Wage Rate-BC	Dollars	704.49	686.74	683.68	2.6	0.4
Wages and Salaries-BC*	$Million	73,916.0	69,365.6	65,310.1	6.6	6.2
Fixed-Weighted Earnings Index-BC*	1996=100	115.9	112.9	108.5	2.7	4.1
PRODUCTION-B.C.						
Lumber-Cubic Metres*	Thousand	41,012.9	39,879.3	36,030.9	2.8	10.7
Market Pulp Shipments-Tonnes*	Thousand	4,932	4,724	4,762	4.4	-0.8
Newsprint Shipments-Tonnes*	Thousand	1,076	1,135	1,186	-5.2	-4.3
Other Paper Shipments-Tonnes*	Thousand	1,877	1,841	1,733	2.0	6.2
Coal-Tonnes*	Thousand	25,571.0	27,082.0	23,061.0	-5.6	17.4
Oil-Cubic Metres*	Thousand	1,750.8	2,019.0	2,168.2	-13.3	-6.9
Natural Gas-Cubic Metres*	Million	32,037.0	31,201.3	29,483.4	2.7	5.8
Electric Power Generated*	GW.h	67,627.3	60,495.6	63,050.9	11.8	-4.1
Solid Mineral Shipments	$Million	4,862.9	3,674.5	2,926.5	32.3	25.6
Farm Cash Receipts**	$Million	2,410.9	2,415.0	2,285.2	-0.2	5.7
Manufacturing Shipments*	$Million	41,161.5	42,303.5	39,691.0	-2.7	6.6
GENERAL						
Housing Starts-All Areas BC**	Thousand	34.7	32.9	26.2	5.3	25.8
Housing Starts-USA	Thousand	2,068.3	1,955.8	1,847.7	5.8	5.9
Building Permits-BC*	$Million	10,191.1	7,938.7	6,394.2	28.4	24.2
Residential-BC*	$Million	6,979.0	5,868.9	4,514.2	18.9	30.0
Non-Residential-BC*	$Million	3,212.1	2,069.8	1,880.1	55.2	10.1
Retail Sales (NAICS)-BC*	$Million	49,914.5	47,216.6	44,421.0	5.7	6.3
Wholesale Trade (NAICS)-BC*	$Million	47,277.0	43,521.2	39,658.9	8.6	9.7
Tourism Room Revenues-BC*	$Thousand	1,690.1	1,592.2	1,486.7	6.2	7.1
Business Bankruptcies-BC	Number	786	922	1,002	-14.8	-8.0
Consumer Bankruptcies-BC	Number	8,173	8,378	9,385	-2.4	-10.7
Incorporations-BC*	Number	28,593	25,428	23,243	12.4	9.4
Exports Originating in BC*	$Million	34,064.0	30,977.6	28,189.3	10.0	9.9
Capital Expenditures-BC	$Million	32,256.7	29,664.7	25,434.1	8.7	16.6
Population-BC (as of July 1)	Thousand	4,257,833	4,203,315	4,155,370	1.3	1.2

September 28, 2006

* derived from monthly figures

**derived from quarterly figures

ECONOMIC PERFORMANCE

GROSS DOMESTIC PRODUCT ($ MILLIONS)

	YEAR				PERCENT CHANGE		
	2005	2004	2003	2002	04-05	03-04	02-03
BRITISH COLUMBIA							
Gross Domestic Product at Market Prices	168,011	157,241	145,948	138,252	6.8	7.7	5.6
Real Gross Domestic Product (chained 1997 $)	144,028	139,205	133,888	130,324	3.5	4.0	2.7
CANADA							
Gross Domestic Product at Market Prices	1,368,726	1,290,185	1,216,191	1,154,204	6.1	6.1	5.4
Real GDP at Market Prices (chained 1997 $)	1,157,446	1,124,428	1,092,388	1,070,789	2.9	2.9	2.0
UNITED STATES (Billions $US) **							
Gross Domestic Product at Market Prices	12,455.8	11,712.5	10,960.8	10,469.6	6.3	6.9	4.7
Real GDP at Market Prices (chained 2000 $US)	11,048.6	10,703.5	10,301.0	10,048.8	3.2	3.9	2.5

*** US Department of Commerce (actual)*

INTEREST AND EXCHANGE RATES

(Source: Bank of Canada Weekly Financial Statistics)

	Sept. 27/06	Sept. 20/06	August 30/06	Sept. 28/05
	PERCENT PER ANNUM			
CANADA				
Prime Business Rate	6.00	6.00	6.00	4.50
Bank Rate	4.50	4.50	4.50	3.00
Long-Term Government Bond Rate (over 10 yrs)		4.17	4.22	4.21
Conventional Mortgages - 1 Year		6.40	6.40	5.00
- 5 Years		6.75	6.85	5.80
UNITED STATES				
Prime Rate	8.25	8.25	8.25	6.75
EXCHANGE RATES (average noon)	CANADIAN $			
US Dollar	1.1151	1.1273	1.1100	1.1785
Japanese Yen	0.0095	0.0096	0.0095	0.0104
British Pound	2.1035	2.1299	2.1136	2.0786
Euro	1.4161	1.4317	1.4233	1.4161

FORECASTS

	2006			2007		
	REAL GDP % CHG	UNEMP RATE %	CPI % CHG	REAL GDP % CHG	UNEMP RATE %	CPI % CHG
BRITISH COLUMBIA						
B.C. Government (September 2006, First Quarter Report)	3.6	4.8	2.0	3.1	5.1	2.0
Credit Union Central BC (July 2006)	4.2	4.4	1.6	4.2	3.6	1.8
Conference Board of Canada (July 2006)	3.6	4.9	1.9	3.1	5.2	1.9
Scotia Economics (September 11, 2006)	4.0	4.6	na	3.6	4.2	na
TD Bank (February 17, 2006)	3.5	6.0	1.4	3.2	5.5	1.7
CIBC WM Economics (February 9, 2006)	4.1	5.2	1.7	3.4	4.8	2.0
Global Insight (April 2006)	3.7	5.3	1.7	3.1	5.2	1.9
CANADA						
TD Bank (June 14, 2006)	3.0	6.4	1.8	2.7	6.6	1.2
CIBC WM Economics (September 7, 2006)	2.9	6.3	2.2	2.6	6.4	2.2
Global Insight (September 2006)	2.9	6.3	2.1	2.6	6.4	1.5
UNITED STATES						
TD Bank (June 14, 2006)	3.2	4.9	3.6	2.6	5.5	2.1
CIBC WM Economics (September 7, 2006)	3.4	4.7	3.7	2.3	5.1	3.1
Global Insight (September 2006)	3.3	4.8	2.4	2.4	5.0	1.7